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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

6 December 1978

MEMORANDUM

The North-South Dialogue and US-Nigerian Relations

Key Judgments

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° *Nigeria sees its participation in the North-South dialogue primarily as a means of supporting its claim to political leadership in Africa.*

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° *Lagos sees relatively few direct benefits accruing from its participation in the dialogue and gives greater priority to other foreign policy goals.*

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° *With the scheduled shift to civilian rule next October, Nigerian politics in the North-South dialogue could become somewhat more strident, although their relative importance in the overall foreign policy framework would probably not increase.*

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This memorandum was prepared by the African Division of the Office of Regional and Political Analysis and coordinated with the Office of Economic Research. Questions and comments may be addressed to the author,

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- *Lagos' view of the US is shaped mainly by its perceptions of US policy toward southern Africa, and the North-South dialogue is unlikely to affect significantly US-Nigerian relations as long as the southern Africa problem remains.* [redacted] 25X1
- *Should US-sponsored initiatives on the Rhodesian and Namibian issues fail, Nigeria could well use North-South forums as one way to vent its frustrations against the US.* [redacted] 25X1

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North-South Issues as a Policy Determinant [REDACTED]

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Nigeria does not appear to ascribe as much importance to North-South issues as it does to other national interests. Under General Obasanjo's strongly nationalistic military government, Nigeria has displayed a strong interest in the North-South dialogue but primarily as just another means of supporting the country's claim to political leadership in Africa. In terms of its own economic self-interest, Nigeria seems to see fewer specific benefits accruing to it from active participation in the North-South dialogue than do many other developing countries. [REDACTED]

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Nigeria's foreign policy priority in recent years has been to advance its status as the premier power in Africa and to become the spokesman for African interests with the Western powers. Lagos is convinced it has unique human and economic resources that qualify it for continental leadership. Its paramount goal is the attainment of black majority rule in southern Africa. Second ranking goals are to expand Nigeria's already strong position in the Organization of African Unity, helping to resolve African conflicts that make for African disunity, dealing with problems posed by military intervention in African affairs by outside powers, and promoting inter-African economic cooperation in search of greater political independence and collective self-reliance. Third priority has gone to the Third World as a whole, including involvement in the nonaligned movement and North-South questions. [REDACTED]

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The prospects for a change of foreign policy under civilian rule scheduled for October 1979 do not argue for significant shifts in direction and priorities. A number of senior civilian officials of the Ministry of External Affairs concerned with North-South matters may be tempted to retire with the arrival of civilian leaders who are likely to install their loyal followers. At the same time, other officials concerned with North-South matters would seem likely to stay in the hope that their expertise will still be needed. [REDACTED]

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There are no indications that North-South negotiations are now a domestic issue that would affect the government's conduct of foreign policy. During the early stages of the Nigerian oil boom in 1975, when consumer prices shot up at annual rate of 35 percent, there were scattered press

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commentaries accusing the developed Western countries of taking advantage of Nigeria's substantial import needs and sudden wealth by charging exorbitant prices. Other articles have focused on the dearth of indigenous skilled labor and the reluctance of the developed countries to assist in upgrading Nigeria's technological base. [REDACTED]

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Domestic interest in the North-South dialogue could increase after the transition to civilian rule if a slump in oil exports precipitates a sharp economic downturn. The associated decline in oil revenues would force additional cuts in investment programs and accelerate government moves to reduce consumer imports to a minimum. Lagos might then look at its leading Western trading partners as scapegoats and view the status of North-South negotiations as another indication of Western unwillingness to help Nigeria develop a more balanced economy. [REDACTED]

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Nigeria's position within the North-South dialogue emanates from its perception of itself as Africa's champion among Third World countries and its consequent need to stay in step with other leading developing countries on North-South issues. The Obasanjo regime has no unique North-South strategy, perhaps reflecting in part the limited benefits Lagos would receive from the specific proposals of the LDC caucus, the Group of 77, on trade and other issues. Nevertheless, Nigeria does lend relatively uncritical support to the overall program for a New International Economic Order (NIEO). Periodic pronouncements by the Head of State and other senior government officials emphasize Nigeria's determination to push ahead on such North-South problems as technology transfer, economic aid, and trade preferences--items that either affect Nigeria directly or, as is usually the case, are espoused by the majority of African states. At the same time, the generally pragmatic Nigerians shy away from open confrontation in the North-South arena, viewing such tactics as counterproductive. [REDACTED]

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North-South Dialogue in US-Nigeria Bilateral Relations [REDACTED]

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Perceived failures or setbacks in North-South issues presently have a minor effect on the warmth and closeness of US-Nigerian relations. Over the longer run, it is possible that the extent to which the US is seen by Nigerians as a friend or enemy in the North-South dialogue may have a

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greater impact on governmental and public attitudes toward the US. As in the past, however, Nigerian views of the US will be most heavily shaped by continued US acknowledgement of Nigeria as an African leader and by future US policies on southern Africa. [REDACTED]

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There is little to suggest that Nigeria is anxious to make success in the North-South dialogue an important barometer of bilateral relations in the near future. Neither has Lagos shown evident linkage between progress on the North-South dialogue and Nigeria's position in other multilateral negotiations involving the US and other Third World countries. The Head of State and the Commissioner for External Affairs have occasionally implied at international gatherings that the Nigerian Government will be assessing its relations with the US and other developed countries largely on the basis of their attitudes toward North-South issues, but this in practice appears to be mostly rhetoric. [REDACTED]

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Although Lagos has expressed to various US officials its concern over such North-South problems as technology transfer and trade preferences, the Nigerians often prefer to negotiate on a bilateral basis instead of through the Group of 77 or other similar mechanisms. In the case of technology transfer, Nigeria appears generally satisfied with existing bilateral arrangements whereby Lagos either assumes the costs of overseas training or extends incentives to US firms that include technical training as part of the overall investment plan. [REDACTED]

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The trade issue, on the other hand, focuses on the US refusal to grant preferences to members of the Organization of Petroleum Exporting Countries (OPEC) in the aftermath of the 1973 Arab oil embargo. Lagos, however, believes it should not be on the same list as the Arab OPEC members since it had refused to honor the embargo. Nigeria has not really pushed this subject because of the overwhelming share of export earnings from petroleum sales, which are exempt from preferential treatment in any case, and because of the limited prospects for a substantial increase in the production of those commodities that do qualify, such as cocoa, tin, and rubber. In addition, Lagos views its membership in OPEC as one of its most important and beneficial foreign associations and is highly unlikely to withdraw its affiliation. [REDACTED]

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The Nigerian Decisionmaking Process on North-South Issues [REDACTED]

Relatively little is known about the decisionmaking process of the Nigerian military government, especially regarding North-South issues. Political power is diffuse, decisionmaking is cloaked in secrecy, and different issues involve various groups of policymakers. In broad terms, the government represents a military-bureaucratic monopoly of power, in which the civil service has generally functioned as the principal upward conduit for policy proposals and the downward channel for policy execution. The key decisions on important issues are made by the small group of military officers that constitute the ruling 24-man Supreme Military Council. Among this group, pragmatic Head of State General Obasanjo plays a dominant role. Decisions generally are made in the name of the full council by Obasanjo and a few other key members in ad hoc rump sessions. Policy formulation relating to economic matters, however, has often been the province of senior civil servants whose technical expertise frequently gives them a decisive voice. [REDACTED]

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The principal actor involved in North-South policy formulation appears to be Edward Sanu, director of the International Organizations Department of the Ministry of External Affairs. Sanu's background as an economist and previous activity in numerous international organizations give him considerable experience in some of the more complex North-South issues. He reportedly has an unusually strong influence in the External Affairs Ministry, and his policy recommendations appear to be largely accepted by Obasanjo and other key military council members. Sanu probably also consults with members of the Economic Department of the ministry, but assistance from that section is minimal since recent personnel shakeups sent one North-South expert abroad as ambassador to Sierra Leone and his immediate supervisor, who was also actively involved, to Brussels. [REDACTED]

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Aside from Sanu himself, expertise and interest in North-South issues are limited. His two deputies are new to their positions, and few others in the federal bureaucracy care enough to be more than superficially informed. [REDACTED]

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[REDACTED]

One unanswered question is the role in North-South decisionmaking of the Cabinet Office, which is attached to the Supreme Military Council. That office has sought to become the government's major policy planning and development agency. It is staffed by high-ranking civilians and is particularly important in formulating policy concerning southern Africa and Nigeria's return to civilian rule in October 1979. If the views of the Cabinet Office prevail, the Nigerian position on North-South matters would be somewhat more strident, and less flexible than it might otherwise be.

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[REDACTED]

What is probably a relatively passive role by the military council in North-South decisionmaking contrasts sharply with its role in the key areas of Nigerian foreign policy--southern Africa and relations in this context with the major powers. In determining policy in these areas, a small inner circle led by General Obasanjo makes the decisions, often with little or no input from foreign ministry officials.

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[REDACTED]

Under civilian rule, the president is likely to rely heavily on Sanu's office in the foreign ministry to formulate Nigeria's North-South position. In addition, North-South policy is likely to be shaped by appointed presidential advisors and possibly by federal cabinet ministers who will be concerned with the subject. The National Assembly will become involved to the extent that matters relating to North-South issues require legislation or incorporation in treaties that are subject to legislative consent.

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The North-South Problem and Future Foreign Policy

Because Nigeria's preoccupation with black majority rule in Africa is likely to continue, developments in the North-South dialogue probably will have no significant impact on US-Nigerian relations so long as the southern Africa problem remains. Should the continuing North-South dialogue fail to reach a dramatic breakthrough on at least one major issue, such as the Common Fund or trade preferences, some increase in the government's rhetorical criticism of US footdragging can be expected. A similar response is likely

even if the dialogue deteriorates from an atmosphere of negotiation to confrontation. Beyond verbal exchanges, however, Nigeria's actions would probably be governed by the collective stance taken by other African states, and whether or not Lagos felt obliged to go along to protect its position as Africa's leading spokesman. [REDACTED]

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Nigerian government attitudes toward the US will be strongly influenced by developments in southern Africa. If Western initiatives concerning the transition to black majority rule in Rhodesia and Namibia fail, then recently improved Nigerian-US relations are likely to cool. Nigeria could well become hostile, suspicious, and reluctant to cooperate with the West in international initiatives that otherwise would be in Nigeria's interest. Under such circumstances, Lagos could turn to the North-South arena as a convenient forum to vent its displeasure with the US for not being fully supportive of African political-economic interests. [REDACTED]

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Next 3 Page(s) In Document Exempt

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